

ECONOMIC SECURITY ACT

WEDNESDAY, JANUARY 23, 1935

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
Washington, D. C.

The committee met, pursuant to adjournment, at 10 a. m., in the Finance Committee Room, Senate Office Building, Senator Pat Harrison, Chairman, presiding.

Present: Senators Harrison (chairman), King, Barkley, Connally, Gore, Costigan, Byrd, Lonergan, Black, Gerry, Guffey, Keyes, La Follette, Metcalf, Hastings, and Capper.

The CHAIRMAN. The committee will be in order.

Mr. Witte, will you please give your name in full so that the record will show it, and also something of your background, so that the committee will know what it is.

STATEMENT OF EDWIN E. WITTE

Mr. WITTE. I am the executive director of the Committee for Economic Security. My background in short is this: After completing college-I am a Wisconsin man-I was secretary to a Member of Congress for 2 years during the first part of the Wilson administration. Then I was a special agent for the United States Commission on Industrial Relations, in 1914 and 1915; then secretary of the Industrial Commission of Wisconsin for 6 years. From 1922 to 1933 I was chief of the Legislative Reference Service of the State of Wisconsin. I have been connected also with the University of Wisconsin since 1920.

Immediately before coming down here I was director under the unemployment compensation act of Wisconsin, the first unemployment compensation act in this country.

I have been with the committee since its organization in the summer, and I am, as stated, its executive director.

The CHAIRMAN. And you were consulted in the drafting of this legislation?

Mr. WITTE. Certainly.

The CHAIRMAN. You know the inside of it pretty well and were in all of the conferences that led up to it?

Mr. WITTE. Yes, sir.

The CHAIRMAN. I wish you would take the bill and in your own way make an explanation of it, Mr. Witte. I may say, for the benefit of the committee, that Miss Perkins was scheduled to be here this morning, but she did not quite finish her testimony before the House Ways and Means Committee. She will not be there long this morning

and will be here presently, and when Miss Perkins comes we will ask Mr. Witte to desist and the committee will hear Miss Perkins.

You may proceed in your own way, Mr. Witte.

Mr. **WITTE**. This bill, as undoubtedly has been explained to you, is the outgrowth of the President's message of June 8, and as stated in the President's message transmitting the report of the Committee on Economic Security the bill concerns itself with four major subjects: unemployment compensation, old-age security, security for children, and provisions for the extension of public-health services. On a fifth subject in which the Committee has been interested, health insurance, it at this time makes no report; It will probably make a supplemental report at a later date. It is engaged in that study in cooperation with committees from the medical and related professions.

This bill is concerned with economic security, but does not represent all of the administration's program on economic security, but should be regarded as a companion measure to the public-works resolution now pending in the House. The Committee on Economic Security in its recommendations places first the matter of employment assurance, stressing that the most important safeguard against the major hazard lies in the stimulation of private employment and the provision of public employment when private employment is not available; in other words, the work program is a part of the economic security program. This bill deals with parts of the economic security program other than the work program.

By way of introduction, I would like to say, further, that the purpose of our committee is to be helpful to you. Our thought is to present the problem to you and the conclusions we have reached, not as necessarily final conclusions, but to explain why we reached these conclusions and to discuss other possible alternatives. Our sole motive is to give you the entire picture, and we will be glad to assist in any way and in any manner that we can.

With that, I want to pass to the first subject dealt with in the bill, which is old-age security. Old-age security is dealt with in title I, also in title III, title IV, and title V, but before going into the detailed provisions of the bill, I would like to present the factual background of this proposed legislation. There are at this time somewhere in excess of 7,000,000 people over 65 years of age, the last census disclosed 6,600,000. This is 5 years later, and the number is now well in excess of 7,000,000. There are over 4,000,000 over 70 years of age. There are an estimated 11,500,000 people over 60 years of age.

Senator **CONNALLY**. Are you speaking now of both sexes?

Mr. **WITTE**. Both sexes. There are slightly more women than men.

Senator **GERRY**. How many of those do you figure are unemployed?

Mr. **WITTE**. We have tables on that. "Gainfully occupied", as this term is used in the census, is the nearest data we can give you. Of those who were 60 and over in 1930, 4,100,000 were gainfully occupied. The majority, the largest number of them were farmers, and 1,000,000 were reported in manufacturing industries. "Gainfully occupied" does not mean employed. It means both the employees, the self-employed, and the proprietors.

Senator **GERRY**. That is, over 60?

Mr. **WITTE**. Over 60. Over 65, 2,200,000 were still gainfully occupied. Over 70, not quite 1,000,000.

Senator GERRY. Then you have not any figures as to how many over 65 were unemployed?

Mr. WITTE. Unemployed?

Senator GERRP. Yes; unemployed or unable to, earn a living or receiving aid.

Mr. WITTE. Yes; I have that. I will come to that' in a moment, Senator, if I may.

Senator COSTIGAN. Are the figures you have used derived from the census?

Mr. WITTE. Yes; that is, gainfully occupied. I thought that is what the question related to.

The CHAIRMAN. What do you mean by "gainfully occupied"?

Mr. WITTE. That is a census classification. It means people who are working for a financial return, the people that work for themselves or for others. It includes farmers; all the business men, the professional people-everybody who works for a monetary consideration. It does not include the housewives.

Senator CONNALLY. As of what date would that be?

Mr. WITTE. The census of 1930.

Senator CONNALLY. Are those figures reliable as of this date'?

Mr. WITTE. I think approximately so. The term "gainfully occupied" has no reference to whether they were actually working at that time. This is the question which the census taker asks, "What are you doing?", and a man who was not working at that time still answered, "I am a machinist", and he was put down as "gainfully occupied", or he answered, "I am a carpenter" although he might have been out of work. "Gainfully occupied" includes all of the people who thought of themselves as still being in the employment picture.

In that, connection, Mr. Chairman, and members of the Committee, I would like to submit——

Senator GORE (interposing). Those who regard themselves as employed, whether they were employed or not—that sort of a picture does not seem to be related to reality, does it?

Mr. WITTE. It is the best picture we have of how many farmers there are, for instance, how many carpenters there are in this country, and so forth..

The CHAIRMAN. Have you other data there showing the unemployed over the age of 65?

Mr. WITTE. I can get you that data on unemployed. I have data showing the number of people that were on relief over 65, in need of support at this time.

The CHAIRMAN. To clarify it in my own mind, you said there were how many in this country over 65 years of age?

Mr. WITTE. Over 7,000,000.

The CHAIRMAN. And that in the census of 1930, which showed that there were somewhat more than 4,000,000 who were gainfully occupied?

Mr. WITTE. Yes.

The CHAIRMAN. That would show there were 3,000,000 that were not gainfully occupied?

Mr. WITTE. Yes. At that age.

Senator GORE. I thought you said a little over 2,000,000 gainfully occupied, over 65?

Mr. WITTE. Yes. I wish to correct myself on that point. Among those over 60, there were 4,000,000 that were gainfully occupied.

The CHAIRMAN. Let us get the figures for those at 65.

Mr. WITTE. At 65 there are over 7,000,000 people at the present time, and according to the census of 1930 there were 2,200,000 who were still "gainfully occupied."

Senator GUFFEY. How many over 65 are on the relief rolls?

Mr. WITTE. Approximately 700,000 at this stage.

Senator CONNALLY. Would that classification include people over 65 who are not occupied at all but who do have an income from previous occupations?

Mr. WITTE. No. It is this question of "What is your occupation?" which the census taker asks everybody.

Senator BLACK. As a matter of fact, we have not now and never have had thoroughly reliable statistics on those employed and those unemployed, have we?

Mr. WITTE. No, sir.

Senator COSTIGAN. Or of those who are employed part time?

Mr. WITTE. No, sir.

Senator COSTIGAN. The figures you have given are the nearest and latest approach to any information which we have on that subject?

Mr. WITTE. On the subject of how many people were "gainfully occupied", using that census term.

Senator BLACK. Is the committee making any recommendations to attempt to obtain information which is authentic and reliable?

Mr. WITTE. Unemployment compensation will give statistics for the first time on the extent of unemployment. We have never attempted except in the census of 1930, to measure unemployment directly. We have measured only employment. We have had reports to the United States Bureau of Labor Statistics on a voluntary basis by a large number of employers, from which the Bureau of Labor Statistics for many years has made estimates of the number of people that were at work, but as to the reverse, the number of people out of work, we have no national statistics at the present time.

Senator GERRY. Then you are basing your estimates now on 700,000 that are unemployed over 65 years of age, is that right?

Mr. WITTE. Not unemployed.,

Senator GERRY. On relief?

Mr. WITTE. I want to go into the relief figures if I may, in a moment. Mr. Chairman, I would like to submit if I may, this supplement to the report of the committee on economic security which contains 19 factual tables presenting the facts on which this report is based, statistical information, which I would like to submit if it pleases the committee as a supplement to my testimony.

The CHAIRMAN. Yes; you may.

Senator HASTINGS. Is that in print?

Mr. WITTE. Yes, sir; it is appearing in print. These are advance copies. I think we can distribute copies before the morning is over, to all of you.

The CHAIRMAN. This is not a document which has been printed by Congress?

Mr. WITTE. No.

The CHAIRMAN. It is gotten out by some bureau?

Mr. **WITTE**. It is gotten out by us. It consists of statistical tables that will give you the facts on the problems dealt with in this bill, including what laws are in operation elsewhere, and an analysis of the laws.

Senator **GERRY**. In order to make it easier of reference, will you put the name of the bureau into the record?

Mr. **WITTE**. It is from the Committee on Economic Security, and it is a supplement to its report.

Senator **HASTINGS**. May I see it if you do not need it in your testimony?

Mr. **WITTE**. Certainly you may, Senator.

The **CHAIRMAN**. You have other copies which will be available?

Mr. **WITTE**. Yes.

The **CHAIRMAN**. When will they be available?

Mr. **WITTE**. They will be here, I think, in a very few minutes. This is an advance copy which I have just received from the Printing Office.

The **CHAIRMAN**. Very well,
(The document referred to is as follows:)